Rs. 487.340 crore. The Planning Commission has fixed the CLA ceiling of Rs. 150.00 crore under AIBP during 2004-2005 for Orissa. However, releases during the current year would be made on receipt of proposals from the State Government through Central Water Commission.

In order to bridge the gap between potential created and that utilized through infrastructural development under outlet commands and taking up innovative water management practices, a Centrally Sponsored Command Area Development (CAD) Programme (now restructured & renamed as Command Area Development And Water Management (CADWM) Programme *w.e.f.* 1st April, 2004) was launched in Orissa during the year 1974-75. Three projects namely Upper Kolab, Potteru and Hirakud serving drought prone KBK Districts are covered under this programme. Central Assistance released to the State under this programme upto 2003-04 was Rs. 82.1079 crores.

Department of Land Resources, under Ministry of Rural Development is implementing Drought Prone Area Programme (DPAP) in Orissa on Watershed basis with the objective of drought proofing and rejuvenating the natural resource base by taking activities of soil-moisture conservation, water resource development, afforestation, pasture development etc. The eight districts covered under this programme are Bargarh, Bolangir, Boudh, Dhenkanal, Kalahandi, Naupada, Phulbani and Sonepur. So far 830 projects have been sanctioned to the State Government of Orissa. An amount of 46.82 crore has been released to the State for implementation of these projects since 1995-96 as Central grant to treat an area of 4.15 lakh hectares.

Difficulties of urban co-operative banks in A.P.

*418. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has been alert to failing urban co-operative banks in Andhra Pradesh;

(b) to what extent the RBI has alerted its regional office to carefully study trends of prospective difficulties of such banks;

(c) whether it is a fact that many such banks have approached the RBI for help;

(d) if so, the details of such requests; and

(e) the reaction of RBI to such requests?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) arid (b) Yes, Sir. Reserve Bank of India (RBI) is constantly monitoring the financial position of Urban Co-operative Banks in Andhra Pradesh through a system of off site and on site inspection. The data furnished by the banks in monthly returns are closely scrutinised and in case of any adverse features such as sudden drop in deposits, increase in loan portfolio, variance in credit-deposit ratio, deterioration in liquidity position, etc. are noticed, the matter is immediately taken up with the bank concerned. As per the findings in the statutory inspection reports, banks are classified into four grades depending upon their financial condition. The inspection findings and information regarding supervisory action taken by RBI are shared with other regulators *viz.* Registrar of Co-operative Society/Government of Andhra Pradesh. In the case of mismanagement of banks, requisition is issued to the Registrar of Co-operative Society for supersession of Board of Directors. In extreme cases, cancellation of licence/liquidation of bank is resorted to. The Regional Office of RBI has been instructed to keep a close watch on the functioning of such banks and take immediate corrective action.

(c) to (e) Vasavi Urban Co-operative Bank and Prudential Urban Co-operative Bank, Hyderabad had approached RBI for liquidity support, which could not be provided as there is no provision in the RBI Act, 1934 for granting soft loan to Banks. These Banks have also requested RBI to merge them with some other banks. No Co-operative Bank has submitted a proposal or shown its willingness to merge itself with the above banks. Merger with Commercial Banks was not feasible due to differences in their regulatory regimes. A few Urban Co-operative Banks had approached RBI for relaxation in its directives but it was not considered desirable as their financial position did not show the desired improvement despite RBI directives.

Appointment of Sixth Pay Commission

*419. SHRI N. K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government would consider appointing the 6th Pay Commission for revising the pay and allowances of Central Government employees; and